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NEOVACS PROVIDES CORPORATE UPDATE AND REPORTS FULL-YEAR 2017 FINANCIAL RESULTS

- COMPLETED PATIENT ENROLLMENT IN PHASE IIb CLINICAL STUDY OF IFNα KINOID FOR TREATMENT OF LUPUS
- RECEIVED U.S. FDA APPROVAL TO EXPAND ITS PHASE I/IIa CLINICAL STUDY WITH IFNα KINOID FOR TREATMENT OF DERMATOMYOSITIS
- STRENGTHENED BALANCE SHEET THROUGH TWO TRANSACTIONS RESULTING IN APPROXIMATELY €11MILLION
- LAUNCH OF A REDEEMABLE STOCK WARRANT (BSAR) FREE ALLOCATION PLAN FOR THE BENEFIT OF ITS SHAREHOLDERS

Paris, March 30, 2018, 7:30 am CEST – NEOVACS (Euronext Growth Paris: ALNEV), a leader in active immunotherapies for the treatment of autoimmune diseases, provided today a corporate update and reported its financial results for the 12-months ended December 31, 2017, as approved by the Company's Board of Directors on March 29, 2018.

Miguel Sieler, CEO of Neovacs, said: "*2017 was a year of significant progress for Neovacs, during which the Company completed patient enrollment of its Phase IIb study of* IFNα Kinoid in lupus*, strengthened its intellectual property, entered into new partnerships, and prudently managed its finances. Most importantly, our clinical and preclinical pipeline programs continued to advance as planned. Looking ahead, we look forward to reporting the results of our phase IIb clinical trial in lupus, - our most advanced program, in mid-2018. We are confident that Neovacs has laid a strong foundation to create significant shareholder value in 2018 and beyond."*

KEY 2017 ACCOMPLISHMENTS

- Completed patient enrollment in phase the IIb clinical study of IFNα Kinoid in lupus. 185 patients have been enrolled in this trial, and top-line results are currently expected end of June 2018.

- Concluded third positive data review by iDSMB following completion of patient recruitment in phase IIb lupus trial. There were no safety concerns identified following this review of the cumulative safety data by the independent data safety monitoring board (iDSMB), and the board recommended the continuation of the study without modification.

- Received U.S. FDA approval to conduct a Phase I/IIa study of IFNα Kinoid in dermatomyositis (DM) in the United States. . This Phase IIa clinical trial is a multicenter study currently being conducted in Europe (France, Italy, Germany, and Switzerland) in 30 adult patients. The objective of the

study is to evaluate the immunogenicity, tolerability, and biological and clinical efficacy of IFNα Kinoid in this orphan indication.

- Signed a license agreement with Centurion pharma to market IFN-Kinoid for the treatment of lupus and DM in Turkey. Pending the successful outcome of Neovacs' Phase IIb clinical trial in lupus, Centurion will pursue authorization with local health authorities in Turkey to commercialize IFNα Kinoid in lupus through a "Named Patient" program.

- Strengthened balance sheet during the second half of 2017 through a private placement of €6 million with U.S. biotechnology-focused institutional investors, and a convertible bond issuance for € 5.15 million subscribed by European institutional investors.

- Initiated redeemable stock warrant free allocation plan for the benefit of its shareholders. Each Neovacs shareholder received a free redeemable stock warrant for each share held. Holders of the warrants will be able to exercise them and obtain Neovacs shares as of the issue date of the warrants and for a period of 8 months (i.e. until 31 July 2018).

-Reported first positive immunogenicity results for IFNα Kinoid in an animal model of type-1 diabetes. Neovacs confirmed a high level of neutralizing anti-IFNα antibodies in NOD mice immunized with IFNα Kinoid, to observe a twice higher preservation of Langerhans islets[1] in mice treated with IFNα Kinoid compared to the control groups, and notable delay in the onset of Type 1 Diabetes in relation to the persistence of anti-IFNalpha neutralizing antibodies. This study was conducted by Neovacs in collaboration with Dr. Agnès Lehuen and Professor Christian Boitard from the department of Immunology of Diabetes at the Hospital Cochin in Paris**.**

EXPECTED 2018 MILESTONES

In mid-2018, Neovacs expects to announce the results of the Phase IIb clinical study in lupus. The IFNα Kinoid Phase IIb trial in lupus is now fully enrolled with 185 patients randomized, and is being conducted in approximately 20 countries across the U.S., Europe, Latin America, Asia, and North Africa. The objective of the study is to evaluate the biological and clinical efficacy of IFNα Kinoid in patients with moderate to severe lupus.

Based on a positive outcome of this study, Neovacs intends to begin executing on its action plan for 2018, including:

- Continue global partnership discussions for IFNα Kinoid in lupus and DM.
- Validated with healthcare authorities globally the registration strategy to conduct the lupus Phase III clinical program.
- File for orphan drug designation in South Korea with our partner, CKD.

Neovacs is eligible to receive milestone payments in H2 2018 from its three international partners, CKD pharm (South Korea), Biosense Global (China) and Centurion pharma (Turkey), pending positive results of the IFNα Kinoid phase IIb clinical trial in lupus.

Neovacs reported positive results from its proof-of-concept study of IFNα Kinoid for the treatment of type 1 diabetes at the end of 2017. Following these encouraging results, the

[1] Langerhans islets or pancreatic islets: cells capable of producing insulin

Company intends to further advance its development efforts in this indication in 2018 through the design of the appropriate protocol for an initial clinical study in type 1 diabetes, which represents a significant market opportunity.

Neovacs intends to continue advancing its pipeline in 2018 by **strengthning** its preclinical programs, and accelerating patient enrolment in its phase IIa study in DM with IFNα Kinoid**.**

Neovacs, together with Stellar Biotechnologies, is progressing the development of Neostell, a state-of-the-art production subsidiary for its Kinoids® vaccines, which is largely supported by a €5 million grant from BPI as part of the "PIAVE" program. The project is expected to start in H2 2018 and be completed in 2023.

FULL-YEAR 2017 FINANCIAL RESULTS

Summary financial information

In K€	December 31, 2017	December 31, 2016
Revenues	834	394
Operating costs	19, 163	17, 655
of which, R&D	16, 475	14, 658
Operating profit/loss	**(18, 329)**	**(17, 261)**
Financial Results	-636	-99
Pretax profit/loss	-18, 965	- 17, 361
Exceptional items	105	34
Research tax credit	**-4, 022**	-3, 394
Net profit /loss	**-14, 838**	-13, 932

KEY FULL-YEAR 2017 FINANCIAL RESULTS

For the year ended December 31, 2017, Neovacs reported an operating loss of € 18.3 million, compared to € 17.3 million in 2016.

A contained loss of -6% compared to 2016 due to a 2017 operating income higher than 2016, primarily related to the initial payments (€ 0.8 million) in connection with its IFNα Kinoid license option contracts with Biosense Global LLC (China) and Centurion (Turkey), with a total value of € 65 million and € 6 million, respectively.

In parallel, the Company maintained its strict cost control policy, which led to a reduction in SG&A of nearly 10% (€2.7 million versus €3 million in 2016). The vast majority of operating expenses (86%) were allocated to R&D costs (€16.5 million), of which nearly €9.5 million was related to conducting clinical trials, €1.5 million was utilized to execute preclinical studies, and €1.5 million was used for development and industrialization activities for IFNα Kinoid (excluding employee costs).

The financial result for the 2017 financial year consists mainly of interest on the single bond issue (€ 0.4 million) and the amortization expense of the redemption premium of the single bond issue (0.2 million euros).

The net loss for the year was €14.8 million compared to €13.9 million in 2016, and was partially offset by the increase in the research tax credit (+ 18%) compared to December 31, 2016.

CASH BALANCE

At December 31, 2017, Neovacs had cash and cash equivalents of €5.1 million, compared to €3.9 million at December 31, 2016. This increase was primarily attributable to net proceeds of €6 million from the private placement with US institutional investors in July 2017, € 5.1 million in principal from the convertible bond issue in November 2017, and € 3.7 million drawn from the equity line financing.

During the first half of 2018, the financial structure of the Company was further strengthened through the following operations:

- Issuance of convertible bonds with a principal amount of € 3.8 million, subscribed by three European investors, maturing on February 26, 2020
- Capital increase of € 1 million subscribed by two French institutional investors as part of a private placement
- Additional payment by a securitization mutual fund of the balance of CIR 2017 for an amount of 1.5 M €
- Use of the equity financing line with Kepler Cheuvreux (Tranche 2) for € 0.3 million

About Neovacs

Listed on Euronext Growth Paris since 2010, Neovacs is today a leading biotechnology company focused on an active immunotherapy technology platform (Kinoids) with applications in autoimmune and/or inflammatory diseases. On the basis of the company's proprietary technology for inducing a polyclonal immune response (covered by four patent families that potentially run until 2032) Neovacs is focusing its clinical development efforts on IFNα-Kinoid, an immunotherapy being developed for the indication of lupus and dermatomyositis. Neovacs is also conducting preclinical development works on other therapeutic vaccines in the fields of auto-immune diseases, oncology, allergies and Type 1 diabetes. The goal of the Kinoid approach is to enable patients to have access to safe treatments with efficacy that is sustained in these life-long diseases. www.neovacs.fr

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